

what it does is it assesses, it assesses all other insurance companies a proportion of the cost of making whole the insureds. And then here is where my amendment takes place. Here is where my amendment takes place. After the assessment and all these other insurance companies have to put money into the pot to take care of the failed insurance company, those insurance companies who have put money into the pot to take care of the failed insurance companies may now deduct against their premium taxes. They may now deduct against their premium taxes all the money they put in the pot. So in the last analysis, who do you think really pays? Who do you think really pays for the failure of the insurance company and for making whole the insureds of that failed company? The taxpayers. Right? We pay for it because we received reduced receipts under the premium taxes. We pay for it collectively. My amendment just simply says that the other insurance companies may only offset 50 percent, 50 percent of their contribution to the Nebraska Guaranty Fund against their premium taxes. So what I am in effect saying is that the taxpayers will pay half the loss and the rest of the insurance industry that benefits from this Nebraska Guaranty Fund, mind you, that benefits from it, pays the other half of the cost. Simple as that.

PRESIDENT: Senator Barrett.

SENATOR BARRETT: Mr. President, I would seek to question the germaneness of the Vard Johnson amendment at this point. As I understand it, an insurer can offset only 50 percent of the amount written off in a calendar year against its premium tax liability. I would cite our own rules about germaneness under color of amendment. I believe it is Rule 7. It appears to me that this is a revenue issue. LB...excuse me, go ahead, Mr. President.

PRESIDENT: Senator Johnson, do you wish to address the point of germaneness?

SENATOR V. JOHNSON: Well, I think that LB 593 purports to be a fairly significant rewrite of the Nebraska Guaranty Fund Act and part and parcel of the Nebraska Guaranty Fund Act is the 100 percent offset of contributions to the guaranty fund by Nebraska insurers against the premium tax. So I am just simply saying that instead of having a full offset, we will have half an offset and that represents an